



Director of
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USSR:

Regime Reaction to Violence in Alma Ata

In the week following the rioting in Alma Ata, Moscow has moved to demonstrate its determination and ability to prevent a recurrence of popular disturbances and to tighten control over native elites in non-Russian republics.

An editorial in *Pravda* on Sunday denounced parochial attempts to place local economic concerns above the development of the country as a whole, reaffirmed the government's commitment to root out corruption among entrenched local elites, and stated that the selection of officials to serve in minority republics "proceeds from the supreme interests of the all-union state." The *Pravda* report of a Politburo meeting on Thursday forcefully noted the leadership's determination to punish the instigators of the riot.

Last week the Kazakh party established a coordinating council to marshal the battle against social problems and against "clannishness" and "nepotism"—codewords for local nationalism. Gennadiy Kolbin, the new party leader, has publicly chastised the local Komsomol and Academy of Sciences for failures in the "internationalist" education—Russification—of the republic's youth. At a meeting of the Kazakh party leadership last week, Kolbin attacked the organization's shortcomings in ideological and personnel work. Another editorial in the Kazakh press criticized the KGB Border Guards for their lack of professionalism and ideological commitment.

Soviet media have noted that many of the Kazakh rioters were under the influence of alcohol and drugs. Soviet press articles also suggest that anger over food shortages contributed to the violence; Kolbin has promised that his administration will improve the supply of food and consumer goods.

The regime of General Secretary Gorbachev is moving on several fronts to head off any further public disorder in Kazakhstan and is reaffirming its commitment to crack down on recalcitrant provincial elites. Emphasis on the role of alcohol and consumer frustrations in touching off the disturbances is probably intended to distract attention from the importance nationality grievances played in the protests.

While taking a tougher line on elite discipline, Moscow is making an effort to woo the Kazakh population by giving assurances that the new Russian leader of the Kazakh party is sensitive to problems with the standard of living.

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INDIA-PAKISTAN:

Talks Resumed

Two recent meetings between Indian and Pakistani Interior and Foreign Ministry officials have helped restore momentum to efforts to improve relations, but optimism may wane as both countries deal with domestic unrest they suspect the other side is fanning.

[redacted] during discussions in Islamabad this weekend the Foreign Secretaries focused on small confidence-building measures such as expanding trade and installing direct telephone service. They also reviewed more sensitive topics, including alleged support for terrorists and the pledge by Prime Minister Gandhi and President Zia in 1985 not to attack each other's nuclear facilities [redacted]

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The Foreign Secretaries said they will meet again in March. Indian Foreign Secretary Venkateswaran also told the press that Gandhi may visit Pakistan in late 1987. [redacted]

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The Interior Secretaries of the two countries also met this month and agreed to establish committees to address border security issues. One committee will consider procedures covering illegal border crossings, terrorism, and related matters; another will work out measures to counter drug trafficking and smuggling. [redacted]

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[redacted] The meetings covered little beyond the issues Zia and Gandhi considered at their meeting a year ago. The favorable atmosphere generated by that meeting faded when the two sides tried to implement their agreements, and many of the old suspicions and impediments remain. [redacted]

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Most Pakistani and Indian officials seem to feel little pressure to move ahead quickly even with confidence-building measures. Continued unrest in Pakistan's Sind Province and in India's Punjab almost certainly will provoke new accusations of meddling by each. Moreover, Pakistani hopes for a Gandhi visit are likely to be frustrated again when New Delhi insists on tangible progress on bilateral issues before a visit. [redacted]

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SOUTH AFRICA: Unrest Persists

Violence, protests, and boycotts reportedly continue in South Africa's black townships despite harsh security measures and strictly enforced press censorship.

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b (3) [REDACTED] there have been about 20 deaths related to the unrest so far this month. [REDACTED]
[REDACTED] however, [REDACTED]

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[REDACTED] In addition, at least 50 more blacks have been killed in fighting among labor and tribal groups. [REDACTED]

Rent and consumer boycotts apparently are still under way in several townships. According to government statistics, Christmas retail sales were almost 40 percent below projections, apparently reflecting both continuing boycotts by blacks and low consumer confidence in the economy among whites. [REDACTED]

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Pretoria yesterday gave authorities sweeping powers to restrict the presence or conduct of students on school premises in an effort to control unrest at black schools. Black opposition groups yesterday called on students to return to class in January and asked Pretoria to reopen closed schools and release school-age detainees. [REDACTED]

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[REDACTED] Pretoria's crackdown has prevented black opposition groups from organizing nationwide protests but has not stamped out smaller demonstrations and violent outbursts. The new restrictions on black schools will only undermine attempts by parents to end school boycotts and are likely to lead to even greater militancy among young blacks. The government, however, feels under no pressure to ease restrictions, particularly if it decides to hold an early general election this spring. [REDACTED]

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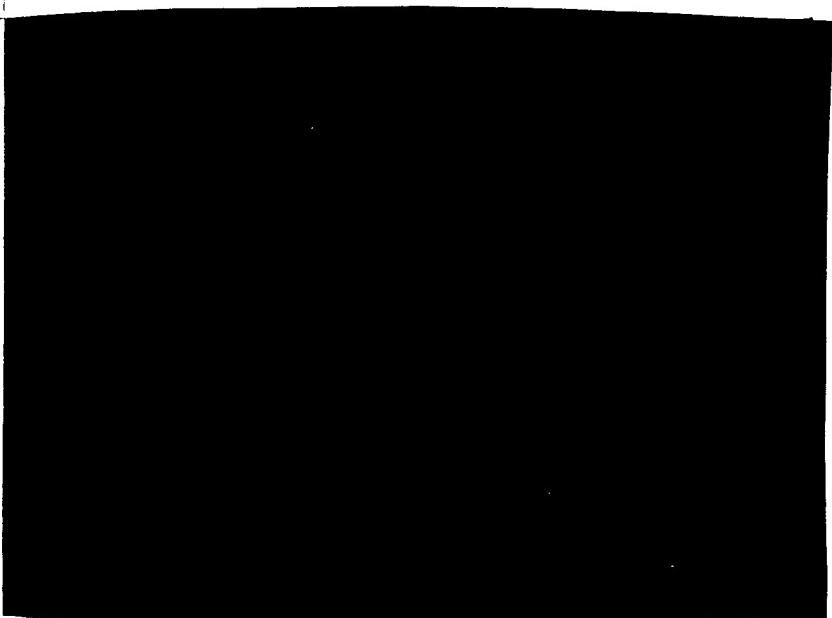
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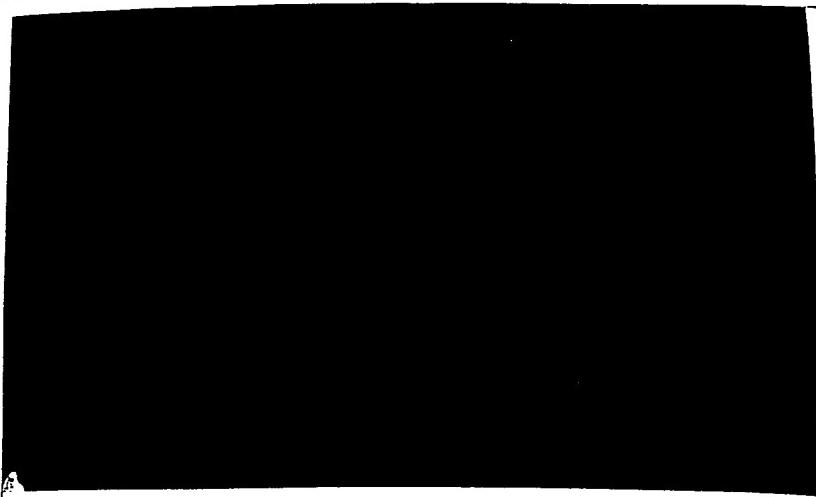
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POLAND: Solidarity Concerned About Labor Unrest

Opposition leaders are concerned that unrest among Polish coal miners may lead to open confrontation. [REDACTED] b(1) b(3)

[REDACTED] Miners are said to be increasingly disgruntled because their special economic privileges are being curtailed and wages are not keeping pace with inflation. [REDACTED] b(3)
[REDACTED] police broke up a small demonstration last week that was held to commemorate the death of several miners at the hands of police when martial law was imposed in 1981.

[REDACTED] Solidarity is now concentrating on shoring up its organization and preparing a long-term economic program, in the hope of promoting peaceful change. [REDACTED] b3

[REDACTED] The concern [REDACTED] b1, b3
[REDACTED] suggests they are worried that renewed unrest might lead to another government crackdown and could expose divisions within Solidarity over the tactics to be used in dealing with the regime. In the past, Polish miners were cowed into accepting martial law and were then placated with high pay and access to special stores offering scarce items. Although it is unlikely that the miners are ready to engage in widespread strikes, spontaneous disturbances could occur.

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In Brief

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[redacted] unrest in Kiev [redacted] if true, would heighten concern about non-Russian nationalism ... Ukrainians already upset over Chernobyl', mining accident at Donetsk. [redacted]

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Special Analysis

ISRAEL-LEBANON-
PLO:

Israeli Policy in Lebanon

Israeli strategic planners are concerned about the long-term implications of emerging trends in southern Lebanon—a resurgent PLO, a more aggressive radical Shia Hizballah, and an increasingly hesitant Shia Amal. [REDACTED] b (3)

In response, Israel has increased military activity in Lebanon in the past several weeks [REDACTED]

b (1) b (3) [REDACTED]

The PLO in Southern Lebanon

Israel's major concern is the possibility of a renewed PLO stronghold in much or all of southern Lebanon. Although Tel Aviv still regards such a development as unlikely [REDACTED]

b (1) b (3) [REDACTED]

b (1) b (3) [REDACTED]

Israel's expanded military activity in Lebanon in the past several weeks—air operations, naval bombardment, and interdiction of ships—has been directed almost entirely against the PLO. Israel is likely to respond to additional PLO gains in Lebanon by gradually increasing the frequency and scope of its actions against Palestinian targets there. Amal's mediocre showing against the PLO and its loss of support to Hizballah in the Lebanese Shia community are undermining the position of those Israeli policymakers who want Tel Aviv to rely on Amal as a tacit ally to block reinfiltration by the PLO. [REDACTED]

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Hizballah Heads South

Israeli defense planners undoubtedly want to retaliate against Hizballah for its series of bold attacks in mid-September and early December against the Army of South Lebanon, Israel's surrogate force in its security zone in southern Lebanon. The attacks by Hizballah were particularly worrisome for Israel because they

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[REDACTED] b (3)

undermined the fragile morale of the ASL and may portend cross-border attempts by the Shia fundamentalists.

b (1) b (3) [REDACTED]

b (3) After the first round of Hizballah's attacks in mid-September, [REDACTED] could not rule out a strike against Hizballah in its base area in the Bekaa Valley even if the situation in Israel's security zone in southern Lebanon quieted down.

b (3) [REDACTED]

Rabin's public revelation in mid-December that the US had asked Israel two years ago to refrain from hitting Hizballah's bases in Lebanon's Bekaa Valley and his implication that the reasons for that ban have now lapsed were clearly intended to warn the Shia extremists that Israel retains the option to strike them in the Bekaa Valley. [REDACTED]

b (1) b (3) [REDACTED]

Israel's "Red Line"

Despite Israel's growing concern and gradually escalating responses, there remains a line beyond which Israeli leaders cannot go because of the Israeli public's bitter memories of the country's deep entanglement in Lebanon in the period 1982-85. The public would probably not tolerate major or long-term ground involvement in Lebanon again. US diplomats in Tel Aviv reported several weeks ago that Rabin is sensitive to public opposition to anything that looks like reoccupation. Even so, Israel is likely to reinforce its own military positions in southern Lebanon, to prop up the ASL with additional equipment, and to carry out additional quick surgical strikes. [REDACTED] b (3)

The recent developments make it even less likely that Israel will withdraw completely from southern Lebanon soon or allow the UN or Amal to assume responsibility for the defense of that area. If the PLO and Hizballah continue to gain strength in the south and if the influence of Amal and the ASL continues to slip, the potential for a rising spiral of violence between Israel, on the one hand, and the Palestinians and radical Shias in Lebanon, on the other, will grow.

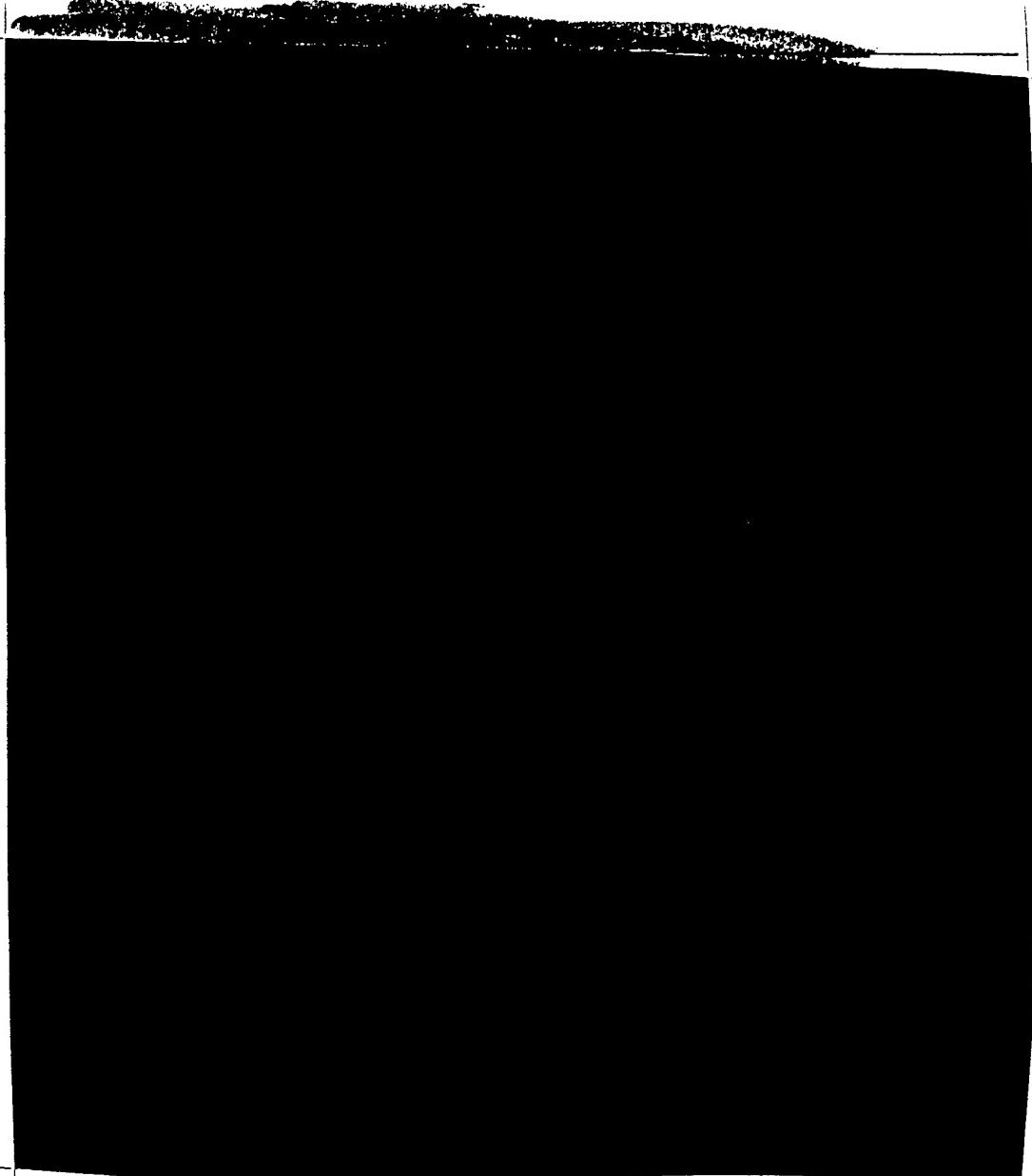
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Special Analysis

NICARAGUA: Rebels Try To Broaden Political Base

The Unified Nicaraguan Opposition, an umbrella organization of anti-Sandinistas formed last year, has recently made progress in enhancing its image by holding an open assembly on a post-Sandinista Nicaragua. Nonetheless, the failure of its unity talks with the Southern Opposition Bloc, a smaller group with extensive international contacts, may hamper its efforts to build a broader political base.

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UNO has a strong military arm—led by the Nicaraguan Democratic Force, which comprises some 17,000 combatants based in Honduras and fighting throughout much of Nicaragua—but it has long been criticized for lacking a political program that could attract domestic and international support. The UNO held an open assembly in Costa Rica last month to address this problem. Attendees agreed to draft a constitution and to prepare a social program for implementation in the event that the anti-Sandinista rebels come to power. [REDACTED] The group's military chiefs publicly acknowledged civilian control over themselves; Indeed, UNO Directorate member Alfonso Robelo proposed that Nicaragua follow Costa Rica's example and abolish the Army once the Sandinistas are ousted.

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Courting the Southern Opposition Bloc

UNO has sought an alliance with the Southern Bloc largely because of the latter's international image. [REDACTED] The Bloc's leader, Alfredo Cesar, is the most politically attractive insurgent leader.

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Although the two groups have been aligned informally since June, deep suspicions remain.

[REDACTED]

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Looking Ahead

Although the open assembly was a step toward greater respectability, UNO does not yet have sufficient domestic and international support to be a political alternative to the Sandinistas. The group has not emphasized Robelo's proposal to abolish the Nicaraguan Army, a move that potentially has broad appeal inside the country and abroad.

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A merger of UNO and the Southern Bloc would enhance the international credibility of the anti-Sandinista cause. Continued squabbling, on the other hand, would undermine UNO's efforts to build external support.

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Special Analysis

IRAN:

Oil Industry Recovering

Iranian oil production and exports have rebounded this month because of repair work and a reduction in Iraqi air attacks against oil facilities. As long as recent levels of oil exports are sustained, Tehran will be able to finance its war with Iraq at current levels while avoiding additional cuts in domestic spending. b (3)

Repairs at the Khark Island export terminal have allowed Iran's oil exports to return to an estimated 1.5 million barrels per day. Oil production has recovered from a low of 1.2 million b/d in September to 2.1 million b/d, near Iran's OPEC quota of 2.25 million b/d. b (3)

Recent Iraqi attacks have seriously damaged offshore oil platforms in the southern Persian Gulf, but losses in offshore production have been more than offset by production from onshore facilities. Moreover, repairs to refineries have restored a significant portion of Iran's output of refined product over the past month. Nevertheless, Iranians will suffer shortages of heating fuel and gasoline at least until mid-January. b (3)

b (1) b (3) [redacted]

b (3)

The regime still faces tough economic choices.

[redacted] further reductions in an already austere domestic budget, especially for food or heating oil, might spark additional protests and increase discontent among the lower classes. Attempts to secure large foreign loans would compromise the regime's longstanding policy of financial independence. Higher oil prices, as a result of the new OPEC accord, and a sustained increase in oil exports would bring welcome relief.

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Although Iran's oil industry has improved in recent months, it remains precarious. OPEC cooperation is essential to ensure stable or rising oil prices; the current lull in Iraqi air attacks against oil facilities could end at any time.

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Major Points in NATO's Brussels Declaration

- The High Level Task Force on conventional arms control will continue to study the establishment of a verifiable, comprehensive, and stable balance of conventional forces at lower levels.
- NATO is committed to maintaining an effective and credible deterrent.
- Reductions in nuclear weapons, which are the subject of discussions between the US and USSR in Geneva, would increase the importance of eliminating conventional disparities.
- NATO is ready to open East-West discussions with a view to the establishment of a mandate for negotiating on conventional arms control covering the whole of Europe from the Atlantic to the Urals.
- There must be recognition of the facts about the current situation and a common understanding on philosophy, objectives, and methods.

Major Proposals in the Warsaw Pact's Budapest Appeal

- The reduction of conventional ground and air forces would proceed in two stages:

The first stage would involve mutual cuts of as many as 150,000 men by NATO and the Warsaw Pact.

Second-stage cuts would amount to an additional 350,000 to 400,000 men on each side by the early 1990s.

Reductions are to involve demobilizing entire formations and units, and armaments and equipment subject to reduction would be destroyed or consigned to depots on the home territories of participants.

- The zone for conventional force reduction would encompass Europe from the Atlantic to the Urals.
- Nuclear weapons with ranges of as much as 1,000 kilometers would be reduced; nuclear warheads would be destroyed.

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Special Analysis

USSR-NATO:

Conventional Arms Control Policy

Moscow has been increasingly critical of what it perceives as NATO's delaying tactics on conventional arms control. The Soviets are anxious to abandon the long-stalemated MBFR talks, with their emphasis on the Soviet advantage in ground forces in central Europe. They want to move to a more diffuse negotiating forum where they will try to ensure that the agenda is more to their liking.

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Soviet criticism of NATO's Brussels Declaration has focused on three areas: NATO's renewed emphasis on the need to continue modernizing nuclear and conventional forces; the absence of a decision to begin new conventional arms negotiations; and the failure of NATO to acknowledge the Warsaw Pact's Budapest Appeal on conventional force reductions. Recent increased criticism reflects the Soviets' unsuccessful attempts to engage NATO in direct bloc-to-bloc meetings to work out arrangements for new negotiations. General Secretary Gorbachev, Foreign Minister Shevardnadze, and Warsaw Pact Commander in Chief Kulikov have all proposed such contacts within the past five months.

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Objectives

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Moscow wants to ensure that these concerns do not stimulate NATO to spend more on conventional force modernization. The Soviets especially hope to dampen West European enthusiasm for exploiting high technology to offset the Pact's military advantage and force the USSR to commit additional resources to the military rather than to Gorbachev's industrial modernization.

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the USSR is ready to make significant reductions in conventional forces. The Soviets could take mutual cuts on the order of 100,000 to 150,000 men, as proposed in the first stage of the Budapest Appeal, without significantly affecting their military capabilities. They might make smaller cuts unilaterally.

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Outlook

In the short term, the Soviets are likely to maintain a concerted effort to engage NATO on conventional disarmament issues. They will continue to press privately and publicly for formal meetings between the Pact and NATO to influence the internal debate within the Alliance. Even if they do not get the more pliable 35-nation forum that they prefer, they can still influence the substance and timing of negotiations. In bilateral and multilateral forums such as the Vienna CSCE meetings, they will probably intensify their rhetoric on the merits of the Budapest Appeal and the West's continued failure to respond.

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If NATO rejects or delays new talks on conventional arms, Gorbachev has positioned himself to make a propaganda case to the West European public. He could argue that he had made an earnest effort to move Western Europe and the US to the bargaining table and that the US and NATO were introducing additional tension in East-West relations and burdening both sides with unnecessary defense spending.

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